

**USAID/Mozambique**

**Operational Plan**

**FY 2006**

June 2, 2006

## **Please Note:**

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**Program Performance Summary FY 2005:** Program Narrative (FY 2005): Mozambique is one of the few countries in Africa that has successfully made the transition from long-term colonial and civil war to long-term peace and democracy. In December 2004, Mozambique held free-and-fair presidential and parliamentary elections for the third time since 1992. The international community applauded the peaceful transition to a new government. The country's success is reflected in its ability to sustain strong economic growth, including GDP growth of 7.5% in 2004 and 7.7% projected for 2005. The outlook is positive for economic growth and political stability, if a series of second generation reforms, including corruption control, are undertaken.

The outlook is not entirely positive. Mozambique ranks 168 out of 177 countries on the 2005 UNDP Human Development Index; fifteen years ago it was dead last in the ranking. Annual per capita income is roughly \$345 (IMF 2005 projections), although it is estimated to be in the order of only \$100 per year in rural areas of the country. More than 70% of the population lives in rural areas, and an even higher proportion depends on agriculture for survival. Twenty-nine percent of the population lives at or below the poverty level. Using the Mozambican minimum consumption measure of poverty, 54% of the population was living below the poverty line in 2003, a substantial improvement from the 69% recorded in 1997. Fifty-three percent of adults are illiterate. Even with increased vaccination rates and improving access to basic health services, life expectancy is low -- 46 years for women and 44 years for men -- and is under pressure due to a 16% HIV prevalence rate. Mozambique's mortality rate for children under five, at 138 per thousand, is somewhat reduced from previous years, but is still unconscionably high.

For years after the civil war, Mozambique was entirely dependent on food aid. While this is no longer the case, and production of staple crops such as maize has increased, there is a considerable difference in production among the country's regions. Mozambique is extremely prone to cycles of flooding and drought, which further aggravates the country's food insecurity situation. Hit hard by catastrophic flooding in 2000 and 2001, Mozambicans in certain high risk areas endured through a four consecutive year of drought. As a result, 800,000 people in affected districts are suffering from hunger and malnutrition.

Fortunately, USAID and other donors are fully engaged in assisting Mozambique in tackling practically every major development issue facing the country. USAID is delivering technical assistance, training, and some vital commodities to help Mozambicans become more productive, healthier, and more skilled; while at the same time bringing together Mozambique's private sector, civil society, and government institutions to liberalize the economy and instill good governance. Other donors are also providing substantial amounts of aid to Mozambique that make it possible for the government to implement its ambitious poverty reduction strategy. In 2005, general budget support from the European donors and the World Bank financed 50% of the government's budget. This percentage is expected to remain approximately the same in 2006 and in 2007 despite the fact that Government revenues are expected to increase from 12.3% of GDP in 2004 to 14.0% in 2006. On the whole, donors feel their assistance is used effectively, but recognize that there is room for improvement.

**Challenges:** Economic growth is the key to reducing widespread poverty in Mozambique and must come from increased production and marketing in the agricultural sector to benefit most directly the poor. About 80% of the population relies on agriculture for income, but only produces about 25% of the GDP. One of Mozambique's greatest medium-to-long term economic development challenges is to diversify the economy in order to attract investment, especially in labor-intensive export sectors. With a trade-weighted average tariff of nine percent, the economy is one of the most open in Africa. Without, however, structural reforms that create a business environment in which it is possible to compete, investors and businesses will not be able to take full advantage of the global marketplace. Fortunately, USAID is working hand-in-hand with Mozambique's private sector and government on many of the most pressing issues in Mozambique's high population, high economic potential areas.

One of Mozambique's most daunting and immediate development challenges is HIV/AIDS. In 2005, an estimated 1.6 million Mozambicans are living with HIV/AIDS, and there are approximately 326,000 orphans and vulnerable children as a result of the AIDS epidemic - a number that is expected to reach one million by 2010. There are only about 650 doctors in all of Mozambique, 200 of them in the capital city. Many rural areas have just one physician per 60,000 people and the national health network covers

less than 50% of the population. Mozambique suffers from frequent outbreaks of cholera and co-epidemics of tuberculosis and malaria, which exacerbates the impact of HIV/AIDS. In short, HIV/AIDS looms as a severe threat to positive economic, social, and political trends in Mozambique. The pandemic remains one of the U.S. Government's highest priorities in Mozambique, one of 15 focus countries under the President's Emergency Plan for HIV/AIDS Relief (PEPFAR). USAID is part of a multi-agency team implementing PEPFAR that also includes the U.S. Department of State, the Centers for Disease Control, The U.S. Department of Defense, and Peace Corps. Under PEPFAR, USAID is supporting treatment for people infected with HIV/AIDS, care for people--especially orphans--who are infected or affected by HIV/AIDS, and prevention of new infections. A description of the U.S. Government's HIV/AIDS program in Mozambique can be found in the State Department Office of the Global AIDS Coordinator report at <<http://www.state.gov/s/gac>>.

#### Key Achievements:

**Rural incomes:** USAID helped increase household incomes by improving access to markets, expanding rural enterprises, and increasing and diversifying sustainable agriculture output. In spite of a continued drought that disrupted production, and stalled policy reforms as the new minister and his team stepped in to run a restructured Ministry of Agriculture, FY 2005 results in this sector were impressive. Business development activities resulted in USAID-assisted enterprises generating over \$10.5 million in total sales, directly benefiting 42,272 households in the process. Local construction companies working under the USAID roads program successfully applied the training and institutional support they received to improve management and performance. The enhanced human and operational capacity allowed these contractors to compete for and win over \$2 million in construction contracts. Cashew processors reaped the benefits of USAID's technical advice to both the cashew industry and the Ministry of Industry and Commerce to the tune of \$7.4 million in commercial credit. The cashew processors used the credit to buy more cashews from small farmers. This had the dual benefit of boosting the viability of the cashew processing industry and significantly mitigating the hardship brought about by this year's drought conditions.

**Trade:** USAID continued to see improvements in Mozambique's business environment in FY 2005. After four years of technical assistance, donor coordination, and advocacy from USAID on raising the profile of trade in Mozambique's development strategy, Mozambique successfully integrated trade into the country's Poverty Reduction and Growth Strategy. In addition, USAID's partnership with the Confederation of Mozambican Business Associations (CTA) led to marked improvements in the business environment. CTA assisted in the preparation of a new labor law, currently under consideration by the government, and the organization's advocacy efforts influenced steps ultimately taken by the government to reduce the number of days required to register a business from 153 to 139. CTA also passed an important governance milestone with the conduct of internal elections that ushered in new leadership. FY 2005 was the final year of USAID's partnership with Mozambique's telecommunications parastatal, a partnership that introduced internet services to government offices and private universities in five provincial capitals.

**Primary Health Care:** In FY 2005, USAID's new provincial and community-level activities got off to a solid start. With USAID assistance, outreach teams in Zambezia province were able to assist, on an average monthly basis, 529 villages that are over five kilometers from a health center. The villages received maternal health, antenatal care, and health education services. USAID purchased bicycle ambulances distributed to targeted communities were used to transport 1,679 sick children and 1,233 pregnant women to health facilities. Critical tools were produced and trainings conducted for the Ministry of Health's (MOH) routine vaccination program, which will enable health workers to more effectively implement recently improved MOH policies. At the central level, USAID contributed technical assistance for the preparation of the National Nutrition Strategic Plan and a national policy on infant and young child feeding. This assistance sets the stage for new community- and facilities-based activities that address issues such as Vitamin A deficiency and malnutrition. USAID's technical assistance also resulted in the introduction of a new computerized logistics management system that will allow the Ministry of Health to monitor drug and medical supplies around the country to reduce shortages and improve procurement planning.

**Municipal Governance:** In support of Mozambique's December 2004 national elections, USAID partnered with the Carter Center and a respected Mozambican non-governmental organization to field over 1,000 election observers and conduct a country-wide parallel vote count (PVT). The PVT accurately predicted and independently validated the final election results, thereby facilitating the opposition's acceptance of the results. After delays due to the change in government, USAID launched a new municipal governance activity in June 2005. The activity is designed to improve accountability and transparency in five selected municipalities. The contractor has already facilitated information and a skill sharing among the program's targeted municipalities by arranging for one municipality to provide technical assistance in budget preparation to another. USAID technical advice to another target municipality helped create a public record of land values that will be the basis for a new tax system in the municipality of Vilankulo. On-going technical support to the Central Office for the Combat of Corruption created the capacity to investigate 180 corruption cases. Eighty of the 180 cases were found worthy of prosecution. USAID's partnership with Mozambique's leading anti-corruption non-governmental organization led to increased public awareness about corruption through community outreach activities, workshops and seminars that targeted civil society, the private sector, and government officials. Following a comprehensive corruption assessment, USAID is designing a new anti-corruption activity that will expand existing initiatives to fight corruption by strengthening prosecution capacity, supporting civil society coalitions, building advocacy capacity, and improving transparency in selected government operations. The new activity will also allow USAID to monitor and measure the impact of activities to combat corruption more effectively.

**Gender:** Given the multiple economic, social, and political disadvantages that affect the lives of Mozambican women, USAID emphasizes gender awareness and integrates approaches to address gender inequalities into all sectoral programs. For example, through the municipal governance program, women are participating in community strategic planning exercises and budget oversight in order to guarantee that gender concerns are addressed in improving service delivery at the local level. In FY 2005, the Mission began participating in USAID's Women's Legal Rights Initiative to protect women's legal rights through improved legislation and increased public awareness of gender issues. Literacy, numeracy, and leadership training for women is increasing their participation in agricultural production and marketing, and women farmers, extension workers and marketing association members comprise a significant percentage of the participants for key activities. In FY 2005, 20% of the contract road work supported by the program was undertaken by female work brigades and women were trained in all aspects of road construction and maintenance.

**Integrated Programming and Cross-Cutting Issues:** USAID encourages linkages across program areas to increase program results and efficiencies. Mozambique's continued success in expanding both economic growth and the benefits of growth is contingent on an effective response to the HIV/AIDS crisis across all sectors. USAID has therefore identified ways to mitigate the potential impact of HIV/AIDS in all sectors. Food security activities are linked to programs financed under the President's Emergency Plan for AIDS Relief (PEPFAR) that benefit orphans and vulnerable children. Private sector policy activities are examining the issue of HIV/AIDS in the workplace and its effect on Mozambican businesses. Health activities are enhancing the ability of the Mozambican health system to provide HIV/AIDS treatment and care. Additionally, the rural incomes program supported an assessment of the impact of HIV/AIDS in rural areas to provide information on the impact of the disease on rural household earning and productivity potential. USAID has started encouraging mayors involved in municipal governance activities to use their roles as leaders to educate citizens about HIV/AIDS prevention, treatment, and reducing stigma. USAID's agriculture and health programs are working together to reduce the economic and health burdens of malaria and diarrhea in target areas through the promotion of insecticide treated bed nets and water treatment kits, as well as sanitation and hygiene awareness activities. As a result of this collaboration, USAID expects to see measurable reductions in household health care expenses and improved labor productivity. Finally, USAID is in the process of "mainstreaming" anti-corruption activities to focus on improving transparency in selected government operations which may include access to land, business registration, procurement systems, and anti-retroviral therapy distribution.

**Global Development Alliances and Partnerships:** USAID is actively pursuing the public-private partnership model in Mozambique. The Mission invested \$1.1 million through an alliance with TechnoServe, due to

end in December 2005. Over the past two and a half years, top executives from companies including Chiquita Brands, Ernst & Young, General Mills, Liz Claiborne, and McKinsey and Company have volunteered to mentor Mozambican businesses; their combined in-kind contribution is valued at \$750,000. Two alliance partners provided pro-bono marketing assistance to groups of cashew businesses for the development of a brand name, label and packaging, resulting in the launch of a Mozambican brand of cashews in FY 2005. USAID's alliance with the Cooperative League of the USA is facilitating the development of the first producer-owned trading company in Mozambique. This year IKURU, the Mozambican trading company, was certified as a fair trade company and obtained a contract to sell soybeans to Norway. The Mission laid the groundwork for two new GDAs - one with the African Wildlife Fund (AWF) and another with the Carr Foundation. The partnership with AWF, funded with \$400,000 from USAID and \$3 million from AWF and other alliance members, will support construction of a fence that will link the Limpopo and Kruger National Parks, as well as advocacy efforts targeting the South African and Mozambican governments to encourage them to open the fences between these parks to allow wildlife to naturally move and restock the reserve. The communities in the reserve will be trained in the application of appropriate agro-forestry technologies for improved food security and household incomes. For the partnership with the Carr Foundation, USAID will contribute \$514,000 to finance conservation services as part of the \$5 million first phase of the Carr Foundation's 30-year, \$30 million program to revitalize Gorongosa National Park. Conservation services will include research, educational programs, anti-poaching, animal relocation and breeding, and scout training. Both new activities are pending environmental assessments and are expected to begin implementation in FY 2006.

**Presidential Initiatives:** Mozambique is the only country where three of the President's major development initiatives and programs fully intersect: the President's Emergency Plan for AIDS Relief (PEPFAR), the Millennium Challenge Account (MCA), and the President's Initiative to End Hunger in Africa (IEHA). HIV/AIDS is one of the U.S. Government's highest priorities in Mozambique and is being addressed by a multi-agency team which includes USAID, the U.S. Department of State, the Centers for Disease Control, The U.S. Department of Defense, and Peace Corps. Under PEPFAR, in FY 2005, USAID supported treatment for people infected with HIV/AIDS, care for people--especially orphans--who are infected or affected by HIV/AIDS, and prevention of new infections. Under the President's Initiative to End Hunger in Africa (IEHA), USAID helped Mozambican researchers to apply science and technology to increase the productivity and profitability of Mozambican farmers. USAID's efforts strengthened the capacity of the National Agricultural Research Institute to adapt existing food production and storage technologies to make them suitable for implementation by Mozambican farmers. Over the medium-to-long term, the resulting increases in farm yields and decreases in post-harvest losses will translate to a reduction in the number of Mozambicans affected by hunger and malnutrition. USAID also used IEHA funds to finance advanced degree training in economics and trade in South Africa for a number of young Mozambicans.

**FY 2006 Program****SO: 656-006 Rapid rural income growth sustained in target areas****Expand & Improve Access To Economic & Social Infrastructure**

Expand & Improve Access to Economic & Social Infrastructure (\$1,100,000 DA). USAID is improving 750 kilometers of tertiary roads and training an additional four road construction firms (for a total of 17). USAID estimates approximately 800,000 Mozambicans will benefit - directly and indirectly - from the year-round access to markets, health centers, and schools. Principal contractors and grantees: World Vision (WV) (prime).

**Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$1,100,000 DA). The conditions for continued support to the Ministry of Agriculture's (MinAg) Sector Investment Program were not met in FY 2005, nor are they expected to be met in FY 2006. USAID is therefore shifting away from direct sectoral budget support to the MinAg, and instead will establish an agricultural research fund as part of the President's Initiative to End Hunger in Africa (IEHA). USAID is working with the public and private sectors to develop the capacity to collect, analyze, and disseminate data on rural incomes and agriculture issues for use in agricultural policy making. This will include scholarships for Mozambicans to complete graduate studies in economics and trade in South Africa. Principal contractors and grantees: Michigan State University (prime), African American Institute, others to be determined (TBD).

**Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$1,820,000 DA). With IEHA funding, USAID is helping to make four agriculture sub-sectors more competitive: horticulture, confectionary nuts and seeds, feed grains and poultry and forestry. Assistance is creating opportunities for targeted agribusinesses to diversify into revenue-enhancing export crops, improve productivity and crop quality, expand the use of appropriate agricultural inputs, and reduce production costs. USAID is teamed with the public and private sectors to address bio-security issues, especially avian influenza. USAID is also awarding scholarships to young Mozambican entrepreneurs for commercial and technical agricultural training. Principal contractors and grantees: Technoserve, Cooperative League of the USA, and Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (all prime).

**Increase Agricultural Sector Productivity**

Increase Agricultural Sector Productivity (\$1,620,000 DA). Under IEHA, USAID is strengthening the capacity of the agriculture research system to rapidly adapt agricultural technologies to significantly improve food security and reduce rural poverty by increasing yields, upgrading processing, and reducing post-harvest losses. USAID is enhancing farmers' access to productive agricultural inputs by promoting private sector marketing of fertilizer, seed, and crop protection products. USAID will competitively award grants to Mozambican scientists for adaptive agricultural research that will benefit Mozambican farmers. USAID's assistance will ensure that disease resistant seeds and varieties for key food crops are available to poor farming families, thus providing them with greater overall food security. Principal contractors and grantees: Michigan State University, WV, CARE, and Africare (all prime).

**Increase Trade and Investment**

Increase Trade and Investment (\$1,650,000 DA; \$181,000 prior year DCA; \$28,000 prior year DA). USAID allocated \$200,000 to leverage a four million dollar Development Credit Authority (DCA) program with a large Mozambican commercial bank (BCI Fomento). A further \$200,000 in subsidies will be

transferred to the DCA account for additional DCA activities, with an estimated portfolio of \$5 million. The increased access to financing will allow viable agribusinesses to rapidly expand their operations, create new jobs, and increase market opportunities and incomes for smaller-scale producers. USAID's Rural Finance Advisor continues to advise the Ministry of Industry and Commerce (MIC) on how best to improve the trade and investment climate. Principal contractors and grantees: BCI Fomento, others TBD.

### **Protect and Increase the Assets and Livelihoods of the Poor**

Protect and Increase the Assets and Livelihoods of the Poor (\$1,516,000 DA). Under IEHA, USAID links DA and Title II to small farmers to boost productivity and enable them to better market their increased production by: testing technologies that reduce post-harvest losses; adopting drought/pest resistant plant varieties; adopting integrated pest management technologies; implementing technologies to conserve soil and water; and improving nutrition, hygiene, and sanitation. USAID's disaster warning and mitigation activities continue to improve Mozambique's cyclone/flood warning systems. Principal contractors and grantees: Chemonics, WV, CARE, and Africare (all prime).

### **FY 2007 Program**

**SO: 656-006 Rapid rural income growth sustained in target areas**

### **Expand & Improve Access To Economic & Social Infrastructure**

Expand & Improve Access To Economic & Social Infrastructure (\$1,500,000 DA). USAID may expand road rehabilitation activities into new areas. Principal contractors/grantees: same as above.

### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$1,000,000 DA). USAID will continue aid to the public and private sectors to develop the capacity to collect, analyze, and disseminate data on rural incomes and agriculture for use in informed policy making. Principal contractors/grantees: same as above.

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$1,998,000 DA). USAID will continue business development activities to include new sectors. USAID will help to improve the quality of education at private Mozambican agricultural colleges. Principal contractors and grantees: same as above.

### **Increase Agricultural Sector Productivity**

Increase Agricultural Sector Productivity (\$1,300,000 DA). USAID will continue its research grant fund and work with the national agricultural research system to promote the adoption of appropriate agricultural technologies. Principal contractors and grantees: same as above.

### **Increase Trade and Investment**

Increase Trade and Investment (\$1,848,000 DA). USAID will continue support to various government ministries to improve Mozambique's trade and investment climate. Principal contractors and grantees: same as above.

### **Protect and Increase the Assets and Livelihoods of the Poor**



Protect and Increase the Assets and Livelihoods of the Poor (\$2,113,000 DA). USAID will assist small farmers to improve productivity and will build upon disaster mitigation activities to incorporate risk management into agricultural research. To protect biodiversity, USAID will promote farming techniques that discourage slash-and-burn agricultural practices. Principal contractors/grantees: same as above.

#### **FY 2006 Program**

##### **SO: 656-007 Labor intensive exports increased**

#### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$526,000 DA). USAID continues to provide long- and short-term technical assistance to the Confederation of Mozambican Business Associations (CTA) that is strengthening the organization's capacity to advocate for a more liberal business environment. USAID assistance facilitates the preparation, dissemination, and public debate of policy recommendations on economic and business conditions. Included in this work is proposed legislation such as a new labor law and issues ranging from land marketability, access to credit, and elimination of red tape to timely government payments and tax reform. Progress in these areas will make Mozambique more attractive to domestic and international investors. Principal contractor and grantee: Nathan Associates, Inc. and the CTA (both prime).

#### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$1,483,000 DA). USAID began implementation of a tourism activity that provides long- and short-term technical assistance to a coalition of private sector tourism operators and the Ministry of Tourism. USAID's assistance is helping Mozambique market itself as a tourist destination and fostering policy reforms in areas such as air transport that lower costs in the sector and stimulate tourist arrivals. Tourist destinations will be environmentally protected through the creation of (1) a nature reserve on Lake Niassa that protects the lake's unique ecosystem (the world's only surviving freshwater corals and 700 species of fish unique to the lake); (2) a wildlife sanctuary in Gorongosa National Park through a Global Development Alliance; and (3) the Pemba Bay Commission, a joint effort by the private sector, non-government organizations, and local and national government officials to manage development in and around the bay. These activities will create immediate local employment and build local capacity. Principal contractors and grantees: Nathan Associates Inc., World Wildlife Fund, The Carr Foundation (primes) and The George Washington University (sub).

#### **Increase Trade and Investment**

Increase Trade and Investment (\$500,000 DA). USAID provides long- and short-term technical assistance to the Ministry of Industry and Commerce (MIC) to conduct trade analyses as well as formulate and implement better trade strategies. With USAID technical assistance, MIC is simplifying rules related to commercial and industrial licensing and introducing a simple and effective competition law to facilitate investment, especially in labor-intensive export industries. Principal contractors and grantees: Nathan Associates, Inc. (prime)

#### **FY 2007 Program**

##### **SO: 656-007 Labor intensive exports increased**

#### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$544,000 DA). USAID will continue to provide technical assistance and institutional support to CTA to strengthen its role as the preeminent private sector voice for policy changes that will increase growth in the private sector and in the economy in general. Principal contractors and grantees: CTA (prime).

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$1,600,000 DA). USAID will provide long- and short-term technical assistance to the Ministry of Tourism and the coalition of private tourism operators to make Mozambique a more attractive and competitive international tourist destination. A major component of this assistance will ensure the protection of a variety of ecosystems. USAID also plans to identify additional labor-intensive sectors that it can support and stimulate. Likely candidates include the wood sector and horticulture, which also offer links to small farmers and agribusinesses assisted by USAID's rural income program. Principal contractors and grantees: Nathan Associates, Inc. (prime) and others to be determined.

### **Increase Trade and Investment**

Increase Trade and Investment: (\$500,000 DA). USAID will provide long- and short-term technical assistance to MIC to strengthen its participation in the Integrated Framework for Trade Capacity Building and in the Southern Africa Development Community free trade area negotiations. Principal contractors and grantees: Nathan Associates, Inc. (prime)

### **FY 2006 Program**

**SO: 656-008 Increased use of child survival and reproductive health services in target areas**

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health & Nutrition (\$4,350,000 CSH). USAID is both providing technical assistance and training to MOH staff to improve the delivery of child health services and promoting policies that improve neo-natal care and increase community access to drugs. USAID is training 100 health workers to provide quality immunization, malaria, nutrition, and newborn care services. USAID is facilitating the adoption of the Integrated Management of Childhood Illnesses (IMCI) service delivery approach, so health care workers ensure the overall well-being of a child, rather than focusing solely on his apparent symptoms. USAID is supporting malnutrition surveillance, promotion of exclusive breastfeeding, Vitamin A supplementation, and training for over 2,000 women on how to improve young child feeding practices. USAID technical assistance and training is building MOH capacity in planning and management. Four health care professionals are receiving pre-service public health training, and one medical doctor is being sponsored for a master's degree in public health. Principal contractors and grantees: Chemonics, Save the Children (SCF), World Vision (WV), Project HOPE, Pathfinder, and Population Services, International (PSI) (all prime).

### **Improve Maternal Health & Nutrition**

Improve Maternal Health & Nutrition (\$3,500,000 CSH; \$500,000 prior year CSH). Technical assistance and training activities are improving antenatal, obstetric and post-partum care, with an added emphasis on malaria during pregnancy, maternal nutrition, and post-partum Vitamin A supplementation. Forty health workers are being trained in quality assurance. Protocols and guidelines are being developed to integrate maternal health activities with HIV counseling/testing. USAID technical assistance is supporting start-up activities for a 2007 census. Principal contractors and grantees: Chemonics, SCF, WV, Project HOPE, Pathfinder, PSI, and U.S. Census Bureau (primes); SCF and CARE (subs).

### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent & Control Infectious Diseases of Major Importance (\$7,475,000 CSH). USAID is promoting the early diagnosis and treatment of malaria by training 60 health providers in case management and

laboratory diagnosis, and training 80 community health workers in detection/management of malaria. A sensitivity study of anti-malarials is being implemented in anticipation of initiating community-based distribution (CBD) of anti-malarials. USAID technical assistance ensures that appropriate policies and environmental control measures are in place in response to a new MOH DDT spraying policy. USAID is facilitating the procurement of a range of commodities to fight malaria, including rapid diagnostic test kits, anti-malarial drugs, sprayers, insecticides, long-lasting insecticide-treated bed nets and bed net retreatment kits. A tuberculosis (TB) implementation plan will be developed by the USAID-provided TB advisor. USAID's training of 40 health workers and 60 community volunteers is reinforcing the direct observation treatment (DOT) approach for managing TB, and facilitating the integration of TB and HIV/AIDS activities. The diagnostic capacity of two TB laboratories will be improved by training lab workers, developing protocols, and procuring materials and equipment. Technical assistance is strengthening the MOH's capacity to monitor/respond to epidemics such as avian influenza, cholera, and meningitis. Principal contractors and grantees: Chemonics, SCF, WV, Project HOPE, Pathfinder, PSI and TB Control Assistance Program (TB CAP) (all prime), SCF and CARE (subs).

### **Support Family Planning**

Support Family Planning (\$2,036,000 CSH; \$500,000 prior year CSH). USAID is strengthening the MOH's family planning program by providing training and technical support for improved supervision and contraceptive procurement, including designing a contraceptive security strategy. Community-based distribution of contraceptives is increasing to cover at least 50% of target districts. Principal contractors and grantees: Chemonics, SCF, WV, Project HOPE, Pathfinder, and PSI (all prime), SCF and CARE (subs).

### **FY 2007 Program**

**SO: 656-008 Increased use of child survival and reproductive health services in target areas**

#### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health & Nutrition (\$4,600,000 CSH). USAID will continue technical assistance and training focused on immunization, malaria, nutrition, diarrheal disease, and IMCI. USAID will continue to introduce new products in targeted communities through CBD and to strengthen community participation in managing and influencing the delivery of health care services. Overall health systems capacity will be further improved by USAID through supervisory training, the development of systems to improve referrals and program coordination, and the roll-out of a computerized drug management information system. USAID will continue to support pre- and in-service public health training. Principal contractors and grantees: same as above.

#### **Improve Maternal Health & Nutrition**

Improve Maternal Health & Nutrition (\$3,500,000 CSH). USAID's training and technical assistance activities related to antenatal, obstetric, and post-partum care will continue. A community-based referral system will be developed to reduce delays in the provision of emergency obstetric care. USAID will provide technical assistance for evaluating and editing preliminary 2007 census data. Principal contractors and grantees: same as above.

#### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent & Control Infectious Diseases of Major Importance (\$6,562,000 CSH). USAID will continue on-going activities. USAID will continue to provide commodities for malaria treatment and control, training for tuberculosis laboratories, and training for new health providers in the DOT approach. Technical assistance for emergency preparedness will continue. Principal contractors and grantees: same as above.

## **Support Family Planning**

Support Family Planning (\$1,267,000 CSH). USAID will continue to procure and distribute contraceptives, facilitate CBD, and provide training and technical assistance for family planning. Principal contractors and grantees: same as above.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City Policy.

### **FY 2006 Program**

**SO: 656-010 Municipal governance increasingly democratic**

#### **Promote And Support Anti-Corruption Reforms**

Promote and Support Anti-Corruption Reforms (\$500,000 DA). At the municipal level, USAID is introducing citizen oversight mechanisms and more transparent administrative systems. Support for corruption reporting centers is being phased out in 2006, while elements of these centers will be incorporated into the Attorney General's Central Office (AGO) to Combat Corruption. Principal contractors and grantees: Associates in Rural Development (ARD), AGO and others to be determined (TBD).

#### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government & Decentralization (\$492,000 DA). USAID's technical assistance and training in five of Mozambique's 33 municipalities is enhancing municipal government performance by improving accountability, responsiveness, transparency, and service provision. USAID provides citizens with the skills and techniques needed to more effectively communicate their needs and priorities to their local representatives, while simultaneously helping citizens understand their rights and responsibilities through civic education. At the same time, municipal governments are learning to be more inclusive, transparent, and efficient through mechanisms such as public hearings, commissions, and open budget meetings. Specifically, USAID is delivering technical assistance and training to municipal officials on development planning, financial and human resources management, budget formulation, ethical and transparent public administration, and public relations. USAID is exploring opportunities to improve service delivery by providing limited commodity support or financing for community infrastructure projects, such as market construction or water and sanitation system improvements. Financing may be provided through a Development Credit Authority (DCA) program. Principal contractors and grantees: ARD (prime).

### **FY 2007 Program**

**SO: 656-010 Municipal governance increasingly democratic**

#### **Promote And Support Anti-Corruption Reforms**

Promote And Support Anti-Corruption Reforms (\$500,000 DA). USAID will continue technical assistance and training that reduce opportunities for corruption in targeted municipalities and increase citizen oversight of key municipal functions. Principal contractors and grantees: ARD, AGO, and others TBD.

#### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government & Decentralization (\$500,000 DA). USAID will continue to provide training and technical assistance to municipal governments to improve planning, financial management, and service delivery. USAID will help local governments develop new mechanisms for community

participation, increasing transparency, and for completing priority infrastructure improvements. Simultaneously, citizens and local civic groups will be trained to become more effective participants in local government. USAID will also seek opportunities to partner with civil society organizations that advocate for decentralization. Principal contractors and grantees: ARD and others TBD.

## **Results Framework**

### **656-003 Increased use of essential maternal and child health and family planning services in focus areas**

#### **Program Title: Maternal and Child Health**

- 3.1: Increased access to community-based services
- 3.2: Increased demand for community-based services
- 3.3: Strengthened management of decentralized services

**Discussion:** This SO will close in FY 2006. Most activities were transferred to SO 656-008 in FY 2005. Indicator data for FY 2005 are reported under SO 656-008.

### **656-004 Improved enabling environment for private sector-led growth and development**

#### **Program Title: Enabling Environment for Growth**

- 4.1: Increased private sector role in development of economic policy, legislation and regulations
- 4.2: Improved policies and facilities encourage trade and investment

**Discussion:** This SO will close out in FY 2006. Most activities were transferred to SO 656-007 in FY 2005. Indicator data for FY 2005 are reported on under SO 656-007.

### **656-006 Rapid rural income growth sustained in target areas**

#### **Program Title: Rural Incomes**

- 6.1: Increased smallholder sales of agricultural production
- 6.2: Rural enterprises expanded
- 6.3: Transport infrastructure improved

### **656-007 Labor intensive exports increased**

#### **Program Title: Exports**

- 7.1: Increased market access
- 7.2: Enabling environment for business transactions improved
- 7.3: Capacity of labor-intensive industries strengthened

### **656-008 Increased use of child survival and reproductive health services in target areas**

#### **Program Title: Maternal and Child Health**

- 8.1: Increased access to quality child survival and reproductive health services in target areas
- 8.2: Increased demand at community level for child survival and reproductive health services
- 8.3: More accountable policy and management

### **656-009 HIV transmission reduced and impact of the AIDS epidemic mitigated**

#### **Program Title: HIV/AIDS**

- 9.1: Civil society linked effectively to national HIV/AIDS response
- 9.2: Behavior change enhances HIV/AIDS prevention and care
- 9.3: Essential services utilized

### **656-010 Municipal governance increasingly democratic**

#### **Program Title: Municipal Governance**

- 10.1: Increased participation by citizens and civil society in target areas

**10.2:** Targeted municipal governments demonstrate more democratic decision making